

MODEL STATE ACTIVITIES & EXAMPLES

Medicare Prescription Drug Benefit (Part D) Implementation

The new Medicare Prescription Drug Coverage (or “Part D”) begins January 1, 2006. On December 31, 2005, state Medicaid prescription drug coverage ends for dual eligibles—and will be replaced by the new Medicare prescription drug benefit. All Medicare beneficiaries in households at or below 150 percent of the Federal Poverty Level (FPL) are eligible for help paying for most or all of their prescription drug costs through the Low-Income Subsidy (LIS).

The States share responsibility with the Social Security Administration (SSA) for helping low-income Medicare beneficiaries apply for LIS to help pay participation costs like premiums, deductibles and coverage gaps. State Medicaid agencies and the SSA are processing applications for the LIS.

Also, to get Medicare prescription drug coverage, the people with Medicare and Medicaid (sometimes referred to as Dual Eligibles) will need to choose and join a Medicare drug plan. If the person does not join a Medicare drug plan by December 31, 2005, Medicare will enroll him/her in a plan and his/her coverage will begin January 1, 2006. CMS will mail auto-enrollment information to dual eligible beneficiaries from late October until mid-November, then monthly to the newly dually eligible individuals. Auto-enrollment takes effect on January 1, 2006.

States with State Pharmaceutical Assistance Programs (SPAPs) may choose to change their SPAP to coordinate with the new Medicare prescription drug benefit.

This document demonstrates the steps that model state agencies are taking to assure low-income Medicare beneficiaries continue to have access to prescription drugs.

Best Practices for State Medicaid Programs

The state Medicaid agency will assist individuals with the LIS application and, if requested by the applicant, the agency can process the application and make an eligibility determination for the LIS. Either electronic or manual determinations of eligibility are both acceptable to CMS.

Model States

- Most states, like **Virginia**, are ready to help people fill out the SSA application and accept applications for the LIS. All 120 SSA eligibility offices have been trained. One staff person and an alternate have been designated to accept applications at every eligibility office. These staff members meet every two weeks with partners—including the State Health Insurance Assistance Program (SHIP)—to coordinate efforts.
- Some states, like **Florida**, are helping people fill out the SSA application and are ready to complete the eligibility determinations manually.

Screening for the Medicaid Savings Program (MSP)

The state Medicaid agency will screen all potentially eligible beneficiaries for the MSP using the SSA “leads” data.

Model States

- Like most states, **Minnesota** is prepared to screen and enroll into MSP those applicants who apply for LIS in the state offices. Minnesota is also prepared to use SSA’s “leads” data to follow-up with applicants about potential eligibility for the MSP.

Performing Outreach and Education

The model state Medicaid agency will use CMS resources (e.g. fact sheets and toolkits) and join with CMS, SSA and several other organizations to conduct outreach and education campaigns throughout the state.

Model States

- Most States have conducted state-wide outreach campaigns, including State/Federal outreach campaigns and partnerships with other entities (e.g., advocacy groups).
- **West Virginia** is working through its Medicare Prescription Drug Workgroup to conduct outreach and education campaigns throughout the state. The workgroup has developed maps to identify areas of the state where Medicare and potential LIS individuals live. They have also identified local resources/partners within the state to assist with outreach events. The workgroup has developed an Education and Outreach Events Calendar. The Educate and Communicate Subgroups will conduct outreach sessions throughout the state.
- The **Texas** Health and Human Services Commission (Medicaid agency) has formed an interagency MMA Workgroup made up of representatives from the various state agencies with clients affected by MMA. The SHIP Director and Texas Department of Insurance are also participants. Recently, Adult Protective Services was added to the group. The Workgroup also

directs a professional Medicare prescription drug public relations campaign through a contract with an advertising and public relations firm. The purpose of the workgroup is to develop a cross-agency protocol and communication plan for transitioning dual eligibles and SPAP enrollees into Medicare prescription drug plans. The goal of the communication effort is to encourage dual eligibles who do not get their prescription drugs through Medicaid to enroll into drug plans as soon as possible. If this group does not enroll by May 15, they will be enrolled in a plan in June 2006.

Providing Wrap Around Coverage

The model state Medicaid agency will cover excluded drugs or create a qualified SPAP.

Model States

- Many States have told CMS informally that they plan to provide the excluded or “optional” drugs (e.g., benzodiazepines) for their Medicaid population. By Federal law, these drugs are not included in plans offering the basic Medicare prescription drug benefit. However, state Medicaid programs can cover these drugs for full benefit dual eligibles and receive Federal matching funds for doing so.
- **New Jersey** will provide excluded drugs and will cover co-payments for full benefit dual eligibles. The state will cover needed non-formulary drugs, but only after appeal or prior authorization. New Jersey is not planning to cover out-of-network prescription purchases.
- **New York** plans to provide the excluded drugs. The State's wraparound program will provide needed non-formulary drugs if they have been denied by the beneficiary's prescription drug plan, and at least one level of exception request has been completed by the prescriber. The prescriber must confirm to New York that an exception request has been denied by the plan prior to coverage by the State.

Establishing MMA Workgroups & Coordinating with Other Government Programs

The model state Medicaid agency will establish workgroups and partnerships to ensure a smooth transition to the Medicare prescription drug benefit.

Model States

- Most States have established or are participating in inter-agency workgroups to address MMA issues.
- **Indiana** Medicaid has pooled resources with the SPAP (HoosierRx) and the SHIP. In August, Indiana issued a request for proposal (RFP) for a public awareness/education campaign including media coverage of Medicare prescription drug benefit and Indiana's plan to wrap-around the new Medicare coverage. This state-wide awareness campaign supports an effective, collaborative effort to assist with Medicare prescription drug coverage and state wrap-around programs.
- **New Hampshire's** Medicaid Director established the Medicare Modernization Act Working Group, which includes officials from all corners of state government. The group focuses on the internal coordination required by MMA, and works together on outreach. With a single point of contact in state government that is empowered to work across the otherwise compartmentalized state agencies, NH has been able to efficiently work through issues of common concern.

- In **Vermont**, the Secretary of the Vermont Agency of Human Services created the Vermont Medicare Legislative Workgroup. Because of the cross-departmental impact of MMA, the work group will work with the state's legislature to adopt wrap-around coverage for Medicare beneficiaries in that state.

Planning to Ease Transition for Full Benefit Dual Eligibles

The model state Medicaid agency will assist the full benefit dual eligibles in making the change to the Medicare prescription drug benefit. Positive state efforts to ease the transition of duals to Medicare prescription drug coverage vary in their approach.

Model States

- All the state Medicaid agencies are interested in making a successful transition from Medicaid prescription drug coverage to the new Medicare prescription drug coverage.
- **California's** Department of Health Services is mailing a brochure in a number of languages to dual eligibles to inform them of the change in their current drug benefits. The state plans to send a reminder notice to those individuals to choose a plan that meets their needs. As required by Medicaid, California will send a notice of action to terminate their drug benefits beginning January 1, 2006 and will develop a written insert to address any concerns beneficiaries may have. Finally, California is sending an All County Welfare Director's Letter on Medicare prescription drug coverage and LIS along with training materials to each county. California is preparing scripts for its call centers. The effort will include other state departments that interact with affected clients and stakeholders.
- **Massachusetts** will send a notice of action, as required, to all full benefit duals letting them know about the change in benefit. Massachusetts will train case managers who work with duals and MassHealth (the State's Medicaid program) customer service staff so they can answer questions and get people connected to the appropriate resources for help with decision-making. Massachusetts has produced a fact sheet on Medicare prescription drug coverage for dual eligible beneficiaries and is developing a set of frequently-asked-questions and answers resource.
- **Nebraska** has formed a statewide partnership of professional staff and volunteers of Nebraska agencies and organizations that are interested in participating in the Nebraska Medicare Prescription Drug Benefit Coalition. This coalition helps Medicare and Medicaid beneficiaries understand the Medicare prescription drug benefit through outreach, counseling and assistance with on-line enrollment. The coalition is spearheaded by a core group of members from the Nebraska Senior Health Insurance Information Program, AARP, Nebraska Health and Human Services System, University of Nebraska Cooperative Extension, SSA, Area Agencies on Aging and the Center on Children, Families and the Law at the University of Nebraska in Lincoln. Through its monthly telephone conferences and video satellite conferences, the coalition has educated more than 1,000 participants across Nebraska.

Preparing LIS Monthly File Data

The model state Medicaid agency has worked with CMS over the past year and a half to provide timely, clean data on dual eligible beneficiaries each month through the CMS state data file exchange.

Model States

- All states have worked with CMS to provide accurate, timely data on dual eligibles.
- For example, **Minnesota** has been responsive to all CMS requests for data, provided detailed analysis about its data files, and provided a clean data file in a timely manner.

Best Practices for State Pharmaceutical Assistance Programs (SPAPs) Programs

Changing SPAP Eligibility Requirements

The model SPAP will require its Part D eligible members to enroll in a PDP or Medicare Advantage plan with a prescription drug benefit (MA-PD) as a condition of remaining a member of the SPAP. This would help ensure that people who qualify for Part D take advantage of the program as soon as it becomes available.

Model States

- **Connecticut, Delaware, Illinois, New Jersey and Massachusetts** will require SPAP members to be enrolled in a Medicare prescription drug plan in order to continue SPAP coverage.

Providing LIS Application Assistance

The model SPAP will utilize CMS' and SSA's "middleware" solution to apply for the LIS on behalf of its members. Middleware is a software program that will allow CMS and SSA to share the data necessary to identify beneficiaries eligible for LIS. The SPAP could send a letter to its members to collect any additional information it needs to submit a complete application and could follow up the letter with direct calls as necessary.

Model States

- **New Jersey's** Pharmacy Assistance Program (PAAD) is using CMS' and SSA's "middleware" solution to apply for the LIS on behalf of their members. The State has already sent its members a letter requesting the information it needed to complete the on-line LIS application and is applying on behalf of all PAA members.

Performing Outreach and Education

The model SPAP will employ a variety of strategies for reaching its beneficiaries to provide them information about Medicare prescription drug coverage. Those strategies could include the following:

- ◆ Direct mailings to its members.
- ◆ Form partnerships with its SHIP, Area Agencies on Aging, and other advocacy groups.
- ◆ Intensive preparation with its customer service center for inbound and outgoing phone calls regarding the LIS and the Medicare prescription drug benefit in general.
- ◆ Engaging a public relations firm to provide an advertisement campaign.
- ◆ Sending SSA's LIS application to its members.
- ◆ TV and radio interviews.
- ◆ Advertisements and public service announcements.
- ◆ Presentations broadcast over government access channels.
- ◆ Weather-crawl banners on cable TV outlets.
- ◆ Public outreach events.
- ◆ Promotional items targeting both the public and healthcare professionals.

An SPAP that applied for and received funding from CMS through the transitional assistance grants could use that funding to shore up and expand its outreach efforts.

Model States

- **Connecticut** already issued a letter to SPAP members letting them know Medicare prescription drug coverage is coming. Connecticut is working with its claims processor to send a cover letter and a SSA application to all SPAP members with incomes at or below 150 percent of the FPL. They are also hoping to use an “outreach bus” that will travel throughout the state, enabling state workers to educate people about Medicare prescription drug coverage.
- **Delaware** awarded a contract to its Health Benefits Manager to conduct outreach efforts.
- **Indiana** expanded the capacity of its SHIP call center and sent their members a “Medicare Drug Coverage Timeline” and a folder to keep all their Medicare prescription drug coverage information. SPAP grant funds were used to fund a public relations firm to assist the State in promoting the Medicare prescription drug benefit to the public, pharmacists and medical providers. Outreach efforts include TV and radio interviews, advertisements and public service announcements, presentations broadcast over government access channels, weather-crawl banners on cable TV outlets, public outreach events and promotional items targeting both the public and healthcare professionals.
- **Massachusetts’** extensive outreach includes their SHIP sending a “Medicare prescription drug coverage folder” to all members, and preparing the customer service center for incoming and outgoing phone calls regarding LIS. They are also coordinating with their SHIP to educate their members about Medicare prescription drug coverage.

Assisting Beneficiary Enrollment/Performing Random Assignment

The model SPAP will mimic the process CMS is using to randomly assign full-benefit dual eligible beneficiaries to PDPs with premiums at or below the benchmark. Alternatively, the SPAP may assist its SPAP members with selecting a PDP based on their individual medication and pharmacy needs, either with or without the assistance of a contractor.

Model States

- **Indiana** has the statutory authority to auto-enroll members into PDPs. The state is evaluating options for individualized auto-assignment and expects to submit a proposal to CMS.
- **Massachusetts** plans to mimic CMS’ process for randomly assigning full-benefit dual eligible beneficiaries into PDPs with premiums at or below the benchmark and apply the same process for its SPAP members. Their proposal has been approved by CMS.
- **New Jersey** is assisting LIS-eligible members with selecting a PDP based on their medication and pharmacy needs. The state will enroll their members in plans whose premiums are at or below the benchmark. The proposal has been approved by CMS.

Providing Wrap-around Coverage

The model SPAP will provide wrap-around coverage to its members who enroll in a PDP, which could include premium assistance, deductible coverage, filling the coverage gap, and covering the cost of copayments above the SPAP level of cost-sharing. The SPAP would cover drugs excluded from Part D, non-formulary drugs, and out-of-network prescription purchases.

Model States

- **Nevada** plans to wrap around Part D with premium assistance and substantial coverage through the gap, with the goal of maintaining or enhancing the coverage Nevada currently provides. The state will also cover copayments for dual eligibles. Nevada is not planning to cover excluded or non-formulary drugs, but plans to offer additional help for individuals with financial hardship.
- **Massachusetts** plans to assist beneficiaries with premiums (partial assistance for some beneficiaries; full assistance for others). Massachusetts plans to subsidize the benefit during the deductible and the coverage gap, as well as covering copayments above the SPAP level of cost-sharing. (Massachusetts will only cover benzodiazepine from the “excluded” category of drugs.)
- **New York** and **New Jersey** intends to implement a generous benefit that will “wraparound” the Medicare prescription drug coverage, including coverage of cost-sharing above the SPAP level of cost-sharing and non-formulary drugs.

Making Lump Sum Per Capita Payments

In lieu of traditional wraparound coverage, the model SPAP may choose to make lump sum per capita payments to PDPs to provide supplemental coverage to its members. The per capita payments would cover premiums and/or cost sharing for the SPAP members.

Model States

- **Illinois** intends to make lump sum per capita payments to PDPs to provide supplemental coverage to their members by wrapping around co-payments and premiums.
- **Maryland** plans to subsidize \$25 of the monthly premium for its SPAP beneficiaries below 300 percent of FPL.